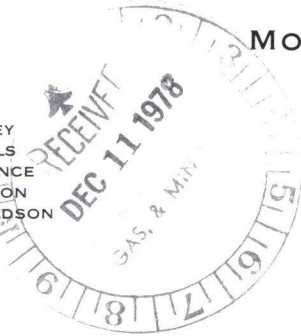


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DENVER, COLORADO 80202

December 7, 1978

(303) 861-8136

ACT 1047/001

Mr. Ronald W. Daniels
Coordinator of Mined Land Development
Department of Natural Resources
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Re: Tosco Corporation - Amended Notice of Intent re
Sand Wash Oil Shale Project - Reclamation Cost
Estimate .

Dear Ron:

Enclosed for your use in connection with approval of the pending Notice of Intent is a cost estimate for site reclamation at the conclusion of the proposed mining program. This estimate was prepared by Tosco Corporation in consultation with Harrison and Western Engineers the engineering firm that has prepared the mine design.

Please recognize that this estimate is based on a worst case assumption of the desirability of returning the site to its original condition, and makes no provision for economic or salvage value of the materials and structures removed, nor for the useful value of the mine shaft and mine for further work.

Since the lands affected are under lease from the state and subject to an existing performance commitment, I understand that you will be discussing the matter with the Division of State Lands to examine the necessity of a bond to cover the program envisioned by the pending Notice of Intent. In the event security is required, please telephone me so that we may discuss the nature, amount and form of security to be given.

As I indicated to you, Tosco is anxious to have this matter finalized by the Board at its December meeting and we appreciate your cooperation in that matter.

Very truly yours,

H. Michael Spence

HMS:sw
Enclosure
cc: Mr. Donald G. Prince
Mr. R. Glenn Vawter

December 7, 1978

*COST ESTIMATE PREPARED BY TOSCO CORPORATION FOR RECLAMATION PLAN CONTAINED
IN APPLICATION FOR AMENDED NOTICE OF INTENTION TO COMMENCE MINING OPERATIONS
ON SAND WASH OIL SHALE UNIT.

Section IV of the Mining and Reclamation Plan (Attachment 1 of the Amended Notice of Intention to Commence Mining Operations by Tosco Corporation filed on April 27, 1978 with the Utah Division of Oil, Gas and Mining) provides for a reclamation plan to be carried out in connection with an experimental mine shaft and mine program on the Sand Wash Oil Shale Unit. The reclamation plan is also described in the Order to Show Cause No. ACT/047/001 of the Board of Oil, Gas and Mining.

The following cost estimate for reclamation activities has been prepared by Tosco Corporation for the Utah Division of Oil, Gas and Mining:

1. Dismantle and remove surface facilities, including buildings, headframe and other facilities (labor and transportation) . . .	\$ 60,000.00
2. Secure shaft (labor and materials) . . .	\$ 1,600.00
3. Regrading and contouring site and distribution and grading top soil (labor and equipment) . . .	\$ 9,500.00
4. Fencing site (labor and material) . . .	\$ 5,000.00
5. Seeding and revegetation of site (labor, materials and equipment) . . .	\$ 3,175.00
6. Continuing care and irrigation of plot until vegetation is established (labor, equipment and materials) . . .	\$ 1,500.00
Total Costs	\$ 80,775.00

*This cost estimate is prepared on the basis of information contained in the Amended Notice of Intention to Commence Mining Operations. The estimate includes costs for labor, material and equipment needed to carry out the reclamation plan and does not include potential offsetting values which may be realized from resale or salvage or other economic values attendant to the mine shaft and mine.